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CREATION OF "SOVFRAKHT" AND LIQUIDATION OF "TRANSMASHIMPORT"

Vneshnyaya Torgovlya, No 5  
Moscow, May 1955

CREATION OF "SOVFRAKHT"

The V/O (All-Union Association) "Sovfrakht" is organized of the foundations of V/O "Soyuzvneshttrans" and the [former] V/O "Sovfrakht." This association shall conduct operations for the chartering of vessels and foreign-trade freight forwarding operations (transportno-ekspeditorskomu obsluzhivaniyu). The charter of the association follows:

General Statute

1. The V/O "Sovfrakht" is established for the chartering of Soviet and foreign merchant vessels, and the execution of commissions connected with maritime, river, and rail shipments, as well as foreign-trade freight forwarding, warehousing, and loading and unloading operations.
2. V/O "Sovfrakht," an independent economic organization, enjoys the rights of a juridical person and operates on a cost accounting (khozraschet) basis.
3. V/O "Sovfrakht" is liable in its operations and obligations for that part of its property which is subject to attachment under existing legislation. The government is not liable for the operations and obligations of V/O "Sovfrakht." V/O "Sovfrakht" is not liable for claims against the government, its organs, or other Soviet organizations.
4. V/O "Sovfrakht" is located in Moscow.
5. V/O "Sovfrakht" has a seal bearing an inscription of a steamship in the center, and around the circumference, the words, "All-Union Association Sovfrakht, Moscow."

Functions

6. To accomplish the purposes specified in Article 1 of the present statute, V/O "Sovfrakht" shall:
  - a. Carry out operations for the chartering of Soviet and foreign vessels, both abroad and in the USSR.
  - b. Operate time-chartered vessels in its own name.
  - c. Execute various types of commissions pertaining to rail, sea, river, combined rail-water, motor, air, and other forms of export-import freight shipments.
  - d. Organize and, when necessary, undertake loading and unloading of export-import shipments.
  - e. Undertake warehouse storage of export-import shipments.
  - f. Act as agents for Soviet and foreign vessels abroad.
  - g. Analyze conditions prevailing on the market for chartering of vessels and take advantage of them.

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h. Prepare and draw up, according to established procedure, standard forms of charters, bills of lading, and other documents relating to maritime transport; publish literature relating to the activities of the association.

i. Execute commissions of Soviet foreign trade organizations relating to the insurance of export-import shipments and customs formalities.

j. Organize transit shipments through the USSR and provide railroad rolling stock, maritime and river tonnage [facilities], motor transport and warehouse facilities, and organize transshipping operations for such shipments.

#### Rights of the Association

7. To carry out the operational and economic functions indicated in Article 6 of the present statute, V/O "Sovfrakht" is endowed with the following rights in conformity with existing laws:

a. To conclude all types of agreements and transactions, and to perform all other legal acts consistent with the aims and the nature of its activity, including credit and foreign exchange operations, and to bring and defend suit in courts and in arbitration proceedings.

b. To establish its affiliates, branches, offices, agencies, etc., both in the USSR and abroad, and participate in Soviet and foreign organizations and associations in pursuance of the aims of the association.

c. To construct, acquire, requisition, and lease all types of warehouse facilities, railroad spurs, docks, and other facilities and equipment necessary for freight forwarding, loading and unloading, and warehousing operations; and to have at its disposal motor and other types of transport, land tracts, residential housing, and other property necessary for conducting operations of the association.

d. To issue shipping documents and warehouse receipts.

e. To open in its own name clearing, special, and other accounts in USSR and foreign banks, and to conduct all types of banking operations, particularly by means of letters of credit, checks and remittances, including those in foreign currency.

f. To obtain all types of credit in banking establishments.

#### Capital

8. The capital of V/O "Sovfrakht" is established by the charter at 5 million rubles.

#### Administration of the Association

9. The administration of V/O "Sovfrakht" is carried out by the chairman of the association and his deputies appointed under established legal procedure. The division of work between the chairman of the association and his deputies is determined by the chairman of the association.

10. The chairman of the association administers all affairs and property of the association, performs and concludes in the name of the association all necessary agreements, transactions and other legal acts, and deals directly with all institutions, enterprises, and individuals concerning the affairs of the association.

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11. Foreign trade transactions concluded by V/O "Sovfrakht" in Moscow must be signed by two persons, (1) the chairman of the association or his deputy, and (2) a person legally authorized to sign the agreements by virtue of a power of attorney signed by the chairman of the association.

Bills of exchange and other monetary obligations of foreign trade issued by the association in Moscow must be signed by the chairman of the association or his deputy and the chief bookkeeper of the association.

All foreign trade transactions concluded by V/O "Sovfrakht" or its affiliates and the documents effected for the acquisition, requisitioning, and leasing of various types of property, as well as bills of exchange and other monetary obligations issued outside of Moscow (both in the USSR and abroad) must be signed by two persons who have received the power of attorney signed by the chairman of the association.

#### Accounting and Distribution of Profits

12. The accounts and balance sheets of V/O "Sovfrakht" are drawn up and approved in conformity with the existing laws.

13. The distribution of profits of V/O "Sovfrakht" is determined by existing legislation of the USSR.

#### Liquidation

14. The procedure for the liquidation of V/O "Sovfrakht" is determined by the existing legislation of the USSR.

Note: The charter of V/O "Sovfrakht," published in Vneshnyaya Torgovlya, No 2, February 1950, and the charter of V/O "Soyuzvneshtrans," published in Vneshnyaya Torgovlya, No 9, September 1951, are hereby declared void.

#### LIQUIDATION OF "TRANSMASHIMPORT"

The All-Union Export-Import Association "Transmashimport" has been liquidated. The operations of this association for the import of transport-hoisting equipment, and for the export and import of railroad rolling stock have been transferred to the All-Union Association "Mashinoimport."

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